

# FISCAL NOTE

**Bill #:** HB0711

**Title:** Driver license expiration notification

**Primary Sponsor:** Gallus, S

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

## Fiscal Summary

	<b><u>FY 2004</u></b> <b><u>Difference</u></b>	<b><u>FY 2005</u></b> <b><u>Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$43,461	\$31,500
<b>Revenue:</b>		
General Fund	\$39,375	\$52,500
<b>Net Impact on General Fund Balance:</b>	(\$4,086)	\$21,000

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input checked="" type="checkbox"/> Technical Concerns           |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. Approximately 80 percent of the 694,743 individuals who have been issued a Montana driver's license are in the 21 - 67 age range. The remaining 20 percent of the driver's licenses are issued annually or for a life cycle of one to eight years for individuals up to 21 years of age or 75 years or age or older.
2. The fees for driver's licenses will create a renewal notice charge of \$0.50
3. Approximately 105,000 driver license renewal notices would be issued annually. This would increase general fund revenues approximately \$39,375 in FY 2004 and \$52,500 in FY 2005.
4. For each driver's license renewal notice produced operating costs would increase approximately \$0.30 for the post card, computer processing, and postage. Annual operating costs would increase approximately \$23,625 in FY 2004 and \$31,500 in FY 2005.
5. Administrative expenses will increase \$19,836 for programming and computer processing costs in FY 2004 only to design and implement the driver license renewal notice program required by this bill for all licensed drivers in Montana.

**Fiscal Note Request HB0711, As Introduced**  
(continued)

FISCAL IMPACT:

**Department of Justice**

**Program 12 – Motor Vehicle Division**

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$43,461	\$31,500
 <u>Funding of Expenditures:</u>		
General Fund (01)	\$43,461	\$31,500
 <u>Revenues:</u>		
General Fund (01)	\$39,375	\$52,500
 <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$4,086)	\$21,000

TECHNICAL NOTES:

1. Eighty percent of the driver's licenses issued have a life cycle of eight years. Historically most individuals do not notify the state of their address change until they renew their driver's license, although Montana statutes currently require notification of an address change within a reasonable time frame.
2. Future annual operating costs would increase approximately \$1,200 in computer processing time to generate the mail renewal notices.